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OCI No. 2637/63

CENTRAL INTELLIGENCE AGENCY Office of Current Intelligence 20 August 1963

CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: Insurgency in South Vietnam and Laos

## 1. South Vietnam

a. Viet Cong activity has declined this month compared to the higher level sustained in late July, but attacks in the Mekong delta provinces continue at a relatively high rate; there were three of company strength (100-150 men) in the past ten days. An attack in company strength or greater also occurred on 16 August near the Laotian/Cambodian frontier in central Vietnam. An unidentified guerrilla battalion or company has been rumored in this area, but no regular units have been firmly identified there. A recent defector in central South Vietnam claims to be a weapons technician trained in North Vietnam who infiltrated with 14 other specialists assigned to a rudimentary weapons arsenal in this region.

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b. During the past week, the South Vietnamese army commander in the III Corps area north and east of Saigon stated that he has six battalions on alert status around Saigon in case of trouble stemming from the Buddhist crisis. He complained that the Buddhist problem has forced him to restrict some operations against the Viet Cong to maintain these troops on alert, that the troops are beginning to be restless, and that he has abandoned some territory recently gained in the War Zone D north of Saigon.

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c. The Buddhist situation continues to be volatile, particularly in Saigon and Hue where demonstrations are attracting larger crowds, particularly students. Rumors of coup plotting continue to circulate.

## 2. Laos

- a. The military situation has been relatively quiet, with action being limited to sporadic probes and artillery exchanges. Pathet Lao patrol activity has been noted in the Vang Vieng and Muong Hiem regions of northern Laos.
- b. General Phoumi has claimed that the North Vietnamese have pulled out of northern Laos, attributing this withdrawal to their inability to maintain supply lines from North Vietnam. There has been no evidence to support his claim.